

Date Mailed
June 26, 1998

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Wisconsin Public Service Corporation
For Approval to Increase Electric and Natural Gas Rates

6690-UR-111

**NOTICE OF INVESTIGATION, ASSESSEMENT OF COSTS
AND PREHEARING CONFERENCE**

Prehearing Date:	July 13, 1998, 1:30 p.m.
Prehearing Location:	Public Service Commission, 610 North Whitney Way, Madison, Wisconsin

On April 1, 1998, Wisconsin Public Service Corporation (WPS or Applicant) filed an application with the Public Service Commission of Wisconsin (Commission) under ss. 196.03, 196.20, and 196.37, Stats., for authority to increase rates for electric services and natural gas services.

The April 1, 1998, filing contained WPS's financial and jurisdictional cost information. On May 15, 1998, WPS filed the remaining required data associated with a requested change in rates in compliance with the requirements of the Commission.

The application states in part:

1. Applicant, Wisconsin Public Service Corporation, is a corporation organized and existing under and by virtue of the laws of the State of Wisconsin (hereinafter referred to as "Applicant"), has its principal office and place of business at 700 North Adams Street, Green Bay, Wisconsin, 54307-9001, and is a public utility within the meaning of Section 196.01 of the Wisconsin Statutes. It is engaged in the business of generating, transmitting, distributing, and selling electricity and natural gas to customers located in a territory of approximately 10,000 square miles in Northeastern Wisconsin. It also serves customers in an adjacent part of Menominee County in Upper Michigan.
2. Due to projected changes in operating costs, as reflected in the detailed testimony and exhibits submitted herewith and incorporated by reference, Applicant's present electric and gas rates yield insufficient revenues, to produce a return on equity which is reasonable and just and required for Applicant to have access to capital at a reasonable cost.

WHEREFORE, Applicant respectfully requests that the Commission grant a hearing upon this application at the earliest possible time and that, in accordance with the provisions of the Wisconsin Statutes, it find and order, based upon its own investigation and upon data to be presented by Applicant, the Applicant be granted authority to increase its rates for electric and natural gas service in such amounts as will permit Applicant to earn a just and reasonable return on common equity, to meet the costs of operation, and to provide Applicant with the ability to attract the necessary capital to meet the requirements of the customers in its service area and that it grant such other relief as may seem just, reasonable, and proper; and further, it is respectfully requested that the Commission take such action so that said increase is effective January 1, 1999.

WPS is requesting 8.6 percent (\$36,200,000) and 5.4 percent (\$24,300,000) electric rate increases in 1999 and 2000 respectively to yield sufficient revenues. The corresponding requested natural gas rate increases are 5.7 percent (\$11,200,000) and .8 percent (\$1,500,000) in 1999 and 2000 respectively. In addition, since WPS submitted its rate increase request, several events have occurred that may have a significant impact on the company's forecasted revenue requirement.

It is appropriate that a prehearing conference be scheduled at this time for the purpose of (1) identifying the persons who will actively participate as full parties, (2) specifying dates for filing testimony and exhibits, (3) identifying and designating the issues, and (4) considering such other matters as will facilitate the hearing. Full parties will be bound by the designation of issues and the schedules adopted at the prehearing conference. If you intend to participate as a full party, please indicate such interest in writing to the Commission at P.O. Box 7854, Madison, Wisconsin 53707-7854, if you have not already done so. Full party status must be requested in writing from the Examining Division pursuant to s. PSC 1.32(3), Wis. Adm. Code.

Copies of WPS's application, prefiled testimony, and exhibits may be obtained by written request to WPS at its office at 700 North Adams Street, P.O. Box 19001, Green Bay, Wisconsin 54307-9001.

This is a Type III action under s. PSC 4.10 (3), Wis. Adm. Code. No unusual circumstances suggesting the likelihood of significant environmental consequences have come to the Commission's attention. Neither an environmental impact statement under s. 1.11, Stats., nor an environmental assessment is required.

NOTICE IS HEREBY GIVEN that the Commission considers it necessary in order to carry out its duties to investigate the books, accounts, practices, and activities of WPS. The expenses incurred or to be incurred by the Commission which are reasonably attributable to the investigation will be assessed against and collected from WPS, in accordance with the provisions of s. 196.85, Stats., and ch. PSC 5, Wis. Adm. Code.

NOTICE IS FURTHER GIVEN that a prehearing conference will be held on Monday, July 13, 1998, at 1:30 p.m. in the Public Service Commission building, 610 North Whitney Way,

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Madison, Wisconsin, for the purposes stated previously in this notice. This building is accessible to people in wheelchairs through the first floor entrance on the front side (lobby) of the building. A sign in the lobby will indicate the room for the prehearing conference. Parking is available at the front entrance. Any party with a disability who needs additional accommodations should contact Richard Teslaw at (608) 267-9766.

NOTICE IS FURTHER GIVEN that this matter is a Class 1 proceeding. See s. 227.01(3)(a), Stats.

NOTICE IS FURTHER GIVEN that Commission staff shall file a synopsis or summary of the testimony or other evidence presented at the hearing in this case. The parties, pursuant to s. 196.24(3), Stats., as amended by 1997 Wisconsin Act 204, Section 24, may demonstrate that a synopsis or summary is not sufficiently complete or accurate to reflect fairly the relevant and material testimony or other evidence presented at the hearing.

If there are any questions regarding the prehearing conference scheduled in this notice, please contact Donna L. Paske, Hearing Examiner at (608) 266-1773.

Other questions regarding this matter may be directed to Richard Kliebenstein, Case Coordinator, at (608) 267-3598.

Dated at Madison, Wisconsin, _____

For the Commission:

Susan E. Stratton
Administrator
Electric Division

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